



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: July 30, 2010

TO: Council President Hueso and Members of the City Council

FROM: Mayor Jerry Sanders *JS*

SUBJECT: Reform Before Revenue Ballot Measure

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I am familiar with the provisions contained in the Frye/Gloria Reform Before Revenue Ballot Measure memo dated July 30, 2010, regarding a sales tax measure for the November ballot. If adopted, these provisions represent the most significant opportunity for fundamental reform of employee pension, retiree healthcare and managed competition since I took office in 2005.

Despite the City's very serious financial challenges and the threat next year of even more significant cuts in basic service levels, I have been unwilling to support a sales tax increase without significant concessions from employee unions that substantially reduce the City's structural deficit going forward. The provisions proposed in the Reform Before Revenue Ballot Measure proposal constitute major concessions that, in my opinion, for the first time justify placement of such a measure on the ballot.

However, if the provisions or timing contained in this proposal are compromised, I will veto the ordinance placing such a measure on the ballot.

JS:rs

Cc: The Honorable Jan Goldsmith, City Attorney